

Community Property

Information



Information
to assist
members
involved in
dissolution
of marriage
or legal
separation ♦

General Information

Mailing Address

(WHEN CONTACTING CalSTRS, PLEASE INCLUDE YOUR SOCIAL SECURITY NUMBER.)

California State Teachers' Retirement System

P.O. Box 15275, MS #3

Sacramento, CA 95851-0275

Local Address for Delivery Service

California State Teachers' Retirement System

7667 Folsom Blvd., MS #3

Sacramento, CA 95826

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plus \$.10 per page copying costs, not to exceed \$15.00.

Other Publication Available

Member Handbook



Telephone Numbers

Public Service Office

800-228-5453

916-229-3870

916-229-3541 for TDD

CalSTRS Web Address

www.calstrs.ca.gov

The summarized information in this booklet pertains to the Teachers' Retirement Law and is meant as a guide. If any conflict arises between the information in this booklet and the law, the law takes precedence.

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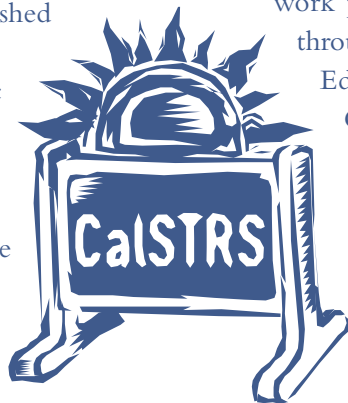
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The California State Teacher's Retirement System provides this booklet to assist CalSTRS Defined Benefit Program members and Cash Balance Benefit Program participants involved in a dissolution of marriage or legal separation. CalSTRS recommends you contact your attorney for advice regarding how this information affects your case.

DEFINED BENEFIT PROGRAM MEMBER/CASH BALANCE BENEFIT PROGRAM PARTICIPANT—TERMS. Throughout this booklet, the term “member” will refer to both the DB Program member and the CB Benefit Program participant, unless otherwise noted.

CalSTRS at a Glance

In 1913, CalSTRS was established by law to provide retirement benefits to California's public school teachers. The State Teachers' Retirement Plan includes the Defined Benefit Program and the Cash Balance Benefit Program. Membership in the CalSTRS DB Program includes all employees, in positions requiring membership, in California public schools from kindergarten through community college. The CB Benefit



Program is available to educators who work part time in kindergarten through community college, Adult Education or in a Regional Occupational Program.

CalSTRS and the Teachers' Retirement Fund are administered by the 12-member Teachers' Retirement Board. The Teachers' Retirement Fund is a special trust fund established by law that holds CalSTRS assets and from which DB Program and CB Benefit Program benefits are paid.

Defined Benefit Program Contributions

Members of the DB Program contribute 8 percent of creditable compensation, as defined by Teachers' Retirement Law. Contributions are by payroll deduction and credited to the member's account. Member contributions accrue interest at a rate determined by the board.

Employers of DB Program members contribute an amount equal to 8.25 percent of the member's creditable compensation. Employer contributions are not credited to individual member accounts but are deposited in the Teachers' Retirement Fund. Employer contributions are invested to provide lifetime monthly benefits for all members and are not refundable to individual members.

Cash Balance Benefit Program Contributions

Participants in the CB Benefit Program contribute up to 4 percent of salary by payroll deduction. Participant contributions are credited to the participant's account. Employers contribute a minimum of 4 percent of salary on behalf of each participating employee, and the contributions are credited to the participant's account.

Participant and employer contributions accrue interest at a rate determined by the board. All contributions and interest are used in determining the community property interest in this program.

Defined Benefit Program Service Credit

Service credit is the accumulated period of time in years and partial years during which a member receives creditable compensation

for service as a member of the DB Program. A member's service credit is one of the factors used to determine eligibility for benefits payable under the DB Program. **Cash Balance Benefit Program participants do not accumulate service credit.**



Annual Statement Of Account

DB Program members are notified each year of their accumulated service credit, contributions and credited interest in the member's Annual Statement of Account.

CB Benefit Program participants are notified each year of their accumulated contributions, employer contributions and credited interest in the participant's Annual Statement of Account.

A member, or a representative, may request information on the member account by sending a written request to CalSTRS.¹ A former spouse, whose community property interests have been defined by a court, and who has joined CalSTRS in the dissolution action may also request specific information related to the member account. Any person other than the member may request information on a member's account by providing either of the following:

1. A written authorization to release information signed and dated by the member within the last 30 days or specifically valid for a longer period. The written request must specify the information needed.

2. A *Subpoena Duces Tecum*. Upon receipt of a subpoena, the requested information will be provided. If calculations are requested, CalSTRS will provide such calculations as long as the member is nearing retirement age.² See General Information, inside front cover, for document copying costs.

Note: CalSTRS will accept service of the subpoena by mail.



When contacting CalSTRS, please submit your request in writing and provide the following:

- ◆ member's full name, including middle initial
- ◆ member's current address
- ◆ Social Security number of the member and the nonmember spouse

CalSTRS Will Provide Statement of Account

Upon receipt of a written request or subpoena, CalSTRS will provide a current statement of account and a statement of account as of the time of marriage and the date specified as the separation date. If such dates are not specified, a current statement of account of the member's service credit and member accumulated contributions, membership date and refundable value will be provided. See Sample Item 1, page 16.

If option allowance data is requested, the named beneficiary's birthdate should also be provided. Please review the *CalSTRS Member Handbook* for more information on election of an option at retirement or preretirement election of an option.

Communicating
with CalSTRS

FOOTNOTES

1. As a public agency of the state of California, CalSTRS is governed by the Information Practices Act, Civil Code section 1798, et seq., Education Code Section 22306, and the Teachers' Retirement Law.

2. Evidence Code Section 1563.

Joinder Requirement

CalSTRS requires that it be joined pursuant to Family Code section 2060 in any dissolution of marriage action involving disposition of CalSTRS funds and/or benefits. CalSTRS will not recognize court orders addressing any account in the system unless CalSTRS is joined in the action.¹

By joining, CalSTRS is put on notice of a dissolution action and is made a party to that action. The filing of joinder documents does not provide the required direction to CalSTRS as to disposition of community interests.

However, the relief the parties are seeking may be incorporated into a

court order that will provide specific direction to CalSTRS for disposition of community interests.



Effect of Joinder

Joining CalSTRS will not affect ongoing retirement benefits. It is the responsibility of the member to pay the spouse the community property share while the dissolution action is in process.

Joinder will normally prevent payment of a member's benefit, a refund of the accumulated contributions or participation in the CalSTRS home loan program. In a financial emergency, however, CalSTRS will permit a member to retire and receive his/her approximate community property share of the benefit and hold the non-member spouse portion until an order is issued.

Court Orders

CalSTRS will enforce a court order as to division of retirement benefits as of the date the court order is received by CalSTRS. CalSTRS will not issue retroactive payments to a former spouse after a member has retired and is receiving retirement benefits.

All court orders must provide the following information regarding the member and nonmember spouse:

- ◆ the date of marriage
- ◆ the date of separation
- ◆ current mailing addresses
- ◆ birth dates
- ◆ Social Security numbers

A court order must only provide one mode of division—either the time rule formula to be applied to the member's benefits or language directing segregation of the member's account. See page 5 for time rule formula and page 7 for segregation of accounts.

In all cases, and regardless of the method of division, CalSTRS must be provided with a certified copy of all court orders, property settlement agreements and judgments that dispose of the community property interests in a member's account/benefits. CalSTRS will not process any pending benefit application until it receives the necessary certified copies of all court orders unless a financial emergency exists. All court orders that require CalSTRS to recognize a community property interest or to act in any way must specifically refer to the "California State Teachers' Retirement System," or "CalSTRS."

FOOTNOTE

1. Education Code Section 22656.

Methods of Division of Community Property

Teachers' Retirement Law provides two methods of division for the community property interest of a member's account. For those members who have retired or are receiving any other CalSTRS benefit, the time rule formula is available. For those members who have not retired and are not receiving any other CalSTRS benefit, the segregation method is available as well as the time rule method.

The following sections should be carefully considered prior to any court order being issued. It should be noted that any service credit and/or accumulated contributions and interest that are not awarded specifically in the court order, using either the time rule or the segregation method, shall be deemed the property of the member.

Time Rule Formula

The time rule formula commonly used in dissolution cases provides for the former spouse to receive a portion of the DB program member's retirement benefits based on the formula illustrated below. For this purpose, the judgment should contain the dates of marriage and separation of the parties and the formula to be used.

The following illustrates this type of division:

TIME RULE FORMULA

Service credit earned during community period
÷ total years of service credit x 1/2 x benefit =
nonmember spouse's community property

Note: Acceptable sample language, which may be incorporated into a court order, is contained in Sample Item 2, page 17. The

sample language is intended as a guide. Individual court order language should be prepared to meet your specific needs.

If the court directs a division of the community property interest in a member benefit and the parties intend CalSTRS to pay directly the former spouse his/her community property share of each retirement benefit payment by separate warrant, the court order must specifically state CalSTRS is to pay the former spouse by separate warrant. Without such language in the court order, the member will retain responsibility to ensure the former spouse receives proper payment.

COURT ORDER LANGUAGE SHOULD BE SPECIFIC. In obtaining orders using this method to divide a benefit, please bear in mind that CalSTRS will only apply the community interest to the benefits specifically stated in the court order. If the benefits are quantified as "any" or "all" retirement benefits payable, the order will be interpreted by CalSTRS to mean all benefits: retirement, refund, disability and lump-sum death benefits payable.

If the order only states that the member's "retirement benefits" are to be divided, then the order would not be applied to any other benefits payable. CalSTRS will comply with the provisions of any judgment to the extent allowed for and provided by the Education Code. The court cannot order CalSTRS to pay a benefit that is not provided for or that is contrary to the statutory provisions of the Education Code and Teachers' Retirement Law.

Methods
of Division of
Community
Property

A former spouse has the right to file a community property claim on a member's CalSTRS retirement benefit at any time. However, under this type of direction for division of the benefit, payment cannot be made to the former spouse until the member:

- ◆ terminates employment or
- ◆ resigns and elects to receive a refund or
- ◆ retires and begins receiving a monthly retirement benefit or
- ◆ is approved to receive a disability benefit.

If the member elects to receive a refund of his/her accumulated contributions, the former spouse would receive a refund of his/her community property share in those contributions, based upon the formula provided by the court in the judgment. If the member elects to retire, or is approved to receive a disability benefit, and receives a monthly benefit, the former spouse would receive a portion of the monthly benefit, if so ordered by the court. The amount would be based upon the formula provided by the court in the judgment until the death of the member.

MEMBER PREDECEASES SPOUSE. Upon the death of the member, the former spouse would no longer be entitled to a monthly community property benefit, unless the member had elected an option which provided for the former spouse to continue to receive a monthly option allowance after the member's death. Using the time rule method of division, to guarantee the former spouse a lifetime monthly benefit, a court order is required that specifically orders

the member to elect an option allowance naming the former spouse as an option beneficiary. For a description of DB Program options, please review the *CalSTRS Member Handbook*.



SPOUSE PREDECEASES MEMBER. If the former spouse should predecease the member after benefits are being paid, the spouse's community property monthly share would stop and revert to the member, unless the court order specifically provides that the former spouse's ongoing community property court-ordered share would be payable to a specific individual until the member's death. When this is the case, the former spouse shall provide the name of his/her designated beneficiary in writing to CalSTRS as soon as possible.

COURT-ORDERED ELECTION OF AN OPTION. Pursuant to a court order, a retired member may be required to amend his/her retirement election. For example, a member retired under the unmodified benefit may be ordered to elect an option. (An option is a program feature that allows the member to redistribute the retirement allowance over both the member's life and the life of one or more option beneficiary(ies). See *CalSTRS Member Handbook* for more information). Before CalSTRS would adjust and recalculate the monthly benefit to that of an option benefit, CalSTRS requires the retired member repay any monies, considered overpaid, since the member's effective date of retirement. The repayment must be in one lump-sum payment.

The cost of selecting an option benefit may be shared between both the retired member and former spouse, or the court may require that only one party bear the cost of the selected option. For example, if the unmodified benefit is calculated to be \$500 per month, and the election of option 2 for the former spouse reduces the allowance to \$475 per month, the cost, \$25, may be applied against the retired member's portion of the benefit, the non-member spouse portion or both.

Segregation of Community Interests from Member Account

The second method of division is only available when the member is not retired or receiving any other benefit such as a disability allowance. It allows, per court order, for the service credit, member contributions and interest in the member account to be segregated into two separate and distinct accounts in the name of the member and the nonmember spouse. Once the member account has been segregated, the nonmember spouse acquires specific rights under CalSTRS, regardless of the action taken by the member.

If the account involved is a CB Benefit Program account, the participant's accumulated contributions and interest are segregated into two distinct accounts.¹

Segregation offers to the parties an alternative method of dividing the retirement benefits; however, it is not mandatory. The establishment of a separate account for the nonmember spouse may not be suitable in all dissolution cases.

The advantage to the nonmember former spouse is that he/she no longer has to rely upon the member for either the type of benefit or when the benefit becomes payable. A nonmember spouse has complete control of his/her community interest and may receive a refund of the accumulated contributions while the member continues to work. If the member has at least five years credited service with CalSTRS at the time of the separation, the nonmember spouse, when eligible, may retire and receive a monthly service retirement allowance utilizing the awarded service credits, regardless of the future actions of the member.

The disadvantage to the nonmember former spouse is that the nonmember spouse's monthly service retirement benefit is calculated utilizing the member's salary at the date of separation, not at the date of retirement. This means the nonmember former spouse will not benefit from any increases in the DB member's future salary or any other benefit enhancements that may increase the member's monthly allowance at retirement.

Since January 1, 1998, Teachers' Retirement Law allows a member, whose account has been divided pursuant to the segregation method, to redeposit the contributions and interest awarded to their former spouse if the former spouse elects a refund of those funds. Members affected by this law are automatically notified and given an opportunity to redeposit the funds.²

SEGREGATION OF MEMBER'S ACCOUNT WITH 30 OR MORE

YEARS OF SERVICE CREDIT. A DB Program member who retires on or after January 1, 1999, with 30 or more years of service credit is eligible for a career bonus factor of 0.2 percent (two-tenths of 1 percent) added to the member's age factor up to a combined age and career factor of 2.4 percent. This provision does apply to a member who has earned 30 or more years of service credit, but who has had his/her total years of service credit reduced due to segregation pursuant to a court order from dissolution or legal separation. CalSTRS will count the member's total years of service credit for the purpose of determining eligibility for the career bonus factor. However, CalSTRS will continue to use only the years of service credit in the member's account as a result of segregation as the basis for calculation of the member's retirement allowance.

DEFINED BENEFIT PROGRAM COURT ORDER MUST SPECIFY

PERCENT. A court order regarding a DB member directing a specific dollar amount cannot be enforced. The court order must state a percentage of the community property to be awarded to the former spouse. (Community property can consist of accumulated contributions, interest and service credit.) See Sample Item 3, page 20, for sample acceptable language.

CASH BALANCE BENEFIT PROGRAM COURT ORDER CAN

SPECIFY DOLLAR AMOUNT. A court order, regarding a CB Benefit Program participant, directing either a specific dollar amount or a percentage can be enforced. The court order can state either a percentage or a dollar amount of community property to be awarded to the former spouse. (Community property consists of accumulated contributions and interest.)

NONMEMBER SPOUSE RIGHTS AND BENEFITS. Under the segregated account process, the nonmember spouse is entitled only to the rights and benefits explicitly set forth in the Education Code.³ Those rights include:

- ◆ either a monthly retirement benefit, or a refund of accumulated contributions
- ◆ designation of a death benefit beneficiary for payment of accumulated contributions remaining in the account at time of death of the nonmember spouse

Once the segregation process has been completed, the nonmember spouse may retire when eligible by completing a *Nonmember Spouse Retirement Application*, SR0059, or request a refund by completing a *Nonmember Spouse Refund Application*, RF1360. Retirement or refund applications may be obtained by contacting CalSTRS Public Service Office. See inside front cover for telephone numbers.

FOOTNOTES

1. Education Code Section 22652.
2. Education Code Section 23200.
3. Beginning with Section 22650, *et. seq.*

A Defined Benefit Member Dies Before Retirement

The CalSTRS DB Program provides benefits to survivors of members who die before retirement. Coverage A, the CalSTRS Disability Allowance/Family Allowance program provides a lump-sum death benefit to the DB Program member's named beneficiary(ies). As of July 1, 1999, the lump-sum amount is \$5,598. (Lump-sum death benefit amounts are revised periodically by the Teachers' Retirement Board.) Any accumulated contributions remaining in a member's account upon death are payable to the designated beneficiary(ies).

Coverage B, the Disability Retirement/Survivor Benefit program, provides a lump-sum death benefit to the named beneficiary(ies) if the member dies before retirement. As of July 1, 1999, the lump-sum payment amount is \$22,394. (Lump-sum death benefit amounts are revised periodically by the Teachers' Retirement Board.) Any accumulated contributions remaining in a member's account upon death are payable to the designated beneficiary(ies). In some cases, a family allowance or survivor benefit may be payable, rather than paying contributions to a beneficiary.

If you are unsure whether the member is covered under Coverage A or B, the Annual Statement of Account will show which survivor coverage the member has. For more information please review the CalSTRS *Member Handbook* or contact the CalSTRS Public Service Office.



Beneficiary Designation

A member may file a new *Beneficiary Designation* form, MS0002 at any time as long as the member's designation is not made in derogation of any community property share of a former spouse.¹

The form may be obtained by calling CalSTRS Public Service Office. See inside front cover for telephone numbers.

The *Beneficiary Designation* form cannot be used to select an option beneficiary. (An option benefit does not refer to the death benefit.) A court order must clearly specify the intent of division of these benefits and determine whether a community property interest exists for the death benefit and/or an option survivor benefit.

EFFECTS OF DISSOLUTION ON A MEMBER'S BENEFICIARY

DESIGNATION. As of January 1, 1987, marriage and/or dissolution or annulment of marriage has no effect on a member's beneficiary designation. Therefore, if a member had a valid beneficiary designation form on file with CalSTRS before the dissolution, that designation will remain valid after the dissolution unless the member files a new *Beneficiary Designation* MS0002.²

If the marriage, dissolution or annulment of marriage and/or refund took place prior to January 1, 1987, any beneficiary designation filed before that date is invalid. Without a valid beneficiary designation form on file at the time of member death, CalSTRS is required to pay the death benefit and any remaining monies in the

account to decedent's estate. Please review the CalSTRS *Member Handbook* for additional information.

Option Beneficiary Election

CHANGING THE OPTION BENEFICIARY AFTER RETIREMENT.³

A member who retired after electing an option to provide a continuing income to an option beneficiary, may cancel the option election after dissolution of marriage if two conditions are satisfied:

- ◆ the retired member had selected his/her spouse as the option beneficiary and the retired member is not required to maintain the former spouse as the option beneficiary
- ◆ the final decree of dissolution of marriage, the judgment of nullity or an order of separate maintenance has been entered on or after January 1, 1978

The retired member must notify CalSTRS of his/her desire to cancel the option by filing an *Application for Cancellation or Change of an Option After Retirement*, MS138. The

application may not be made earlier than the effective date of the judgment or order and must be accompanied by a certified copy of the judgment, order or any property settlement agreement.

Naming More Than One Option Beneficiary

The Teachers' Retirement Law allows members prior to retirement to elect one of several joint and survivor options providing an actuarially modified retirement allowance to the member and the option beneficiary. In divorce cases, a member may be required to elect an option naming the former spouse as the option beneficiary.

Until January 1, 2000, a DB Program member can name only one option beneficiary. DB Program members retiring or electing a preretirement election of an option on or after January 1, 2000, may, under a new Option 8, name more than one person as an option beneficiary.

FOOTNOTES

1. Education Code Section 23300, Family Code section 2610.
2. Education Code Sections 23300–23304.
3. Education Code Section 24305.

Both the member and former spouse are responsible for any tax liability as a result of their community property payments received from CalSTRS, unless directed otherwise by the court order. Thus, CalSTRS must be provided with the nonmember spouse's Social Security number before any community property payment can be made. CalSTRS provides *Income Tax Withholding Preference Certificate*, AD908, to all parties for their tax withholding preference.



detail in *Pension and Annuity Income*, IRS publication 575, available from the IRS or in *Pension and Annuity Guidelines*, FTB publication 1005, from the state Franchise Tax Board or in *Notification of Income Tax Withholding*, MS 1357, from CalSTRS.

PERIODIC PAYMENTS. Unless you tell CalSTRS otherwise, CalSTRS will withhold income tax on your periodic payments (payments that are received in installments at regular intervals) as if you were married and claiming three dependents.

NON-PERIODIC PAYMENTS. CalSTRS withholds income tax from non-periodic payments (such as a lump sum death payment or the allowance accrued and unpaid on the date of death of a CalSTRS benefit recipient) at a flat rate of 20 percent for federal and 6 percent for state withholding. Your beneficiary can elect not to have tax withheld from a nonperiodic payment unless he or she resides outside of the United States or its possessions, in which case, tax withholding is required.

INCOME TAX WITHHOLDING PREFERENCE CERTIFICATE (AD-0908). If you wish to request a change to your income tax withholding status, you must complete CalSTRS form *Income Tax Withholding Preference Certificate*, AD0908.

The form must be received by CalSTRS no later than the first day of the month preceding the month you wish the change to take effect. You may obtain an AD-0908 from CalSTRS by calling the CalSTRS automated telephone system at 800-228-5453 or by downloading the form from the CalSTRS website at www.calstrs.ca.gov.

Tax Information

INCOME TAX WITHHOLDING. Federal and California statutes require income tax withholding on distributions from pension plans, annuities and deferred compensation plans. Income tax will be withheld from the taxable portion of your benefit unless you take action not to have taxes withheld. If you do not have taxes withheld or if you do not have enough withheld, you may need to make estimated tax payments. Generally, your withholding or estimated tax payments or the total of both must cover at least 90 percent of your total tax liability for the current year. Failure to meet the 90 percent limit could subject you to penalties.

A portion of your benefit may not be taxable if you made post-tax contributions to CalSTRS during your career. CalSTRS uses the Simplified General Rule established by the Internal Revenue Service to determine the taxable portion of your allowance. (You may use any acceptable method when reporting to the IRS.) The Simplified General Rule is explained in

Tax Liability

Glossary of Terms

ANNUITY—CASH BALANCE BENEFIT PROGRAM. An amount of money payable in monthly installments for a period determined by the option elected by the participant or beneficiary.

BENEFICIARY. Any person or entity receiving or entitled to receive an allowance and payment because of the disability or death of a member.

BOARD. The Teachers' Retirement Board.

CASH BALANCE BENEFIT PROGRAM. The benefit program of the California State Teachers' Retirement Plan for part-time educators as set forth in Part 14 of the Education Code.

CREDITED INTEREST. Interest that is credited to active members' accumulated contributions at a rate set by the Teachers' Retirement Board.

CREDITED SERVICE—DEFINED BENEFIT PROGRAM. Service for which the required contributions have been paid.

DEFINED BENEFIT PROGRAM. The benefit program provided in the California State Teachers' Retirement Plan as set forth in part 13 of the Education Code.

DISABILITY ALLOWANCE—DEFINED BENEFIT PROGRAM. The amount payable on a monthly basis to a disabled member under Coverage A.

DISABILITY BENEFIT—CASH BALANCE BENEFIT PROGRAM. An amount payable for permanent and total disability that is equal to the sum of the participant's employee account and employer account as of the date of disability.

DISABILITY RETIREMENT (COVERAGE B). A program for individuals who joined CalSTRS after October 15, 1992, or elected this benefit program during the special election held between October 1992 to April 1993. Those receiving payments under this benefit are "retired" and will be paid as long as they are disabled, without respect to age.

EFFECTIVE DATE. The date upon which the benefit becomes payable.

EMPLOYEE ACCOUNT—CASH BALANCE BENEFIT PROGRAM. The nominal account of the participant to which employee contributions and interest and any additional earnings credits are credited under the Cash Balance Benefit Program.

FAMILY ALLOWANCE. Amounts payable to eligible survivors of members under Coverage A.

JOINER. The process of including CalSTRS as a party that authorizes CalSTRS to enforce a court order dividing CalSTRS benefits.

LUMP-SUM DEATH PAYMENT. The amount payable upon the death of a member or participant.

MEMBER. Any person, unless excluded under other provisions, who has performed creditable service as defined by the Teachers' Retirement Law and has earned creditable compensation for that service and has not received a refund for that service and, as a result, is subject to the Defined Benefit Program.

NONMEMBER SPOUSE. The former spouse of a member who has been awarded an interest in the member's account.

OPTION BENEFICIARY. A person designated to receive an actuarially reduced retirement allowance upon a member's death.

PARTICIPANT. A person who has performed creditable service subject to coverage by the Cash Balance Benefit Program and who has contributions credited under the Cash Balance Benefit Program.

REFUND. A lump-sum return of the member's accumulated retirement contributions and interest.

RETIREMENT. A change in status from an active member or an inactive member to a retired member.

RETIREMENT ALLOWANCE—DEFINED BENEFIT PROGRAM. The amount payable to a retired member or an option beneficiary on a monthly basis.

RETIREMENT BENEFIT—CASH BALANCE BENEFIT PROGRAM. Termination of employment and completion of all conditions precedent to receiving a retirement benefit under the Cash Balance Benefit Program.

SEGREGATION. The process by which the member's credited service, contributions and interest for a specific time period are calculated and a portion of service credit, contributions and interest designated as the nonmember spouse's share are subtracted from the member's account. The non-member spouse's share of service credit, contributions and interest are placed in a newly established account for the non-member spouse. (Only contributions and interest are calculated and segregated for a CB Benefit Program participant.)

SPOUSE—CASH BALANCE BENEFIT PROGRAM. The person married to the participant on the date the participant files a beneficiary designation or an application for a benefit, or on the date of the participant's death.

SPOUSE—DEFINED BENEFIT PROGRAM. A person who is married to a member for a continuous period beginning at least 12 months prior to the death of the member unless a child is born to the member and his or her spouse within the 12-month period or unless the spouse is carrying the member's unborn child.

SURVIVOR BENEFIT ALLOWANCE. The allowance provided for in Section 23804 as it read under the law in effect on June 30, 1972.

TEACHERS' RETIREMENT FUND. A special trust fund established by law that holds CalSTRS assets and from which benefits are paid.

TIME RULE FORMULA. A process that determines what percent of the member's allowance shall be paid to the former spouse. The formula is service credit earned during the marital period divided by total service credit at time of retirement, multiplied by 50 percent, then multiplied by the member's retirement allowance benefit.

Sections of the Education Code

SECTION 22650. Introduction to Community Property

SECTION 22651. Nonmember Spouse Definition: Spousal Signature Refusal

SECTION 22652. Authorization for Separate Account for Nonmember Spouse

SECTION 22653. Nonmember Spouse; Limitation of Rights

SECTION 22655. Determination of Community Property Rights; Retired Members' Rights on Death

SECTION 22656. Judgments or Orders; Conditions Required to Make Binding on System

SECTION 22657. Nonmember Spouse; Applicable Statutory Provisions

SECTION 22658. Nonmember Spouse Account; Prohibition from Combining with Another Account

SECTION 22653. Nonmember Spouse; Limitation of Rights

SECTION 22659. Nonmember Spouse Account; Information Required



STATE TEACHERS' RETIREMENT SYSTEM
POST OFFICE BOX 15275
SACRAMENTO, CA 95851-0275

Toll Free – 1-800-228-5453
or – (916) 229-3870
Hearing Impaired – (916) 229-3541



**REQUEST FOR STATEMENT OF ACCOUNT
AND/OR ESTIMATE OF BENEFITS
DUE TO DISSOLUTION OF MARRIAGE**

Dear Member/Nonmember Spouse:

Please complete the following information and send this form to the State Teachers' Retirement System Legal Office at the above address. A statement of account of the service credit, contributions, and interest accumulated during the marriage, and/or an estimate of the monthly benefit payable to you and your former spouse, will be prepared and forwarded to you in approximately six weeks. **Please do not call the Legal Office before this period of time regarding the status of your request**, as the System receives a high volume of requests for this service. Please attach a complete copy of your Marital Settlement Agreement, if available.

Any person other than the member may request information on a member's account if the System has been joined pursuant to Family Code section 2060. Or, if the System has not been joined, one of the following must be provided:

- 1) A written authorization to release information signed and dated by the member;
- 2) A subpoena duces tecum.

Check One or More Boxes:

- ☐ I request a Statement of Account
- ☐ I request an Estimate of the Monthly Benefit Amount
(If this box is checked, indicate the estimated retirement date below)

Member's Name _____ SSN _____

Member's Date of Birth ____/____/____ Nonmember's Date of Birth ____/____/____

Date of Marriage ____/____/____ Date of Separation ____/____/____

Estimated Date of Retirement _____

Requestor's Name _____

Requestor's Address _____

Requestor's Telephone Number ____ (____) _____

Signature of Requestor

Date

LGL 722 (Rev 4/99)

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SAMPLE TIME RULE ORDER

(THE SYSTEM MUST RECEIVE A FILED AND CERTIFIED COPY OF THE FINAL ORDER)

Petitioner: _____) Case No.: No. _____
And)
Respondent: _____) STIPULATION AND ORDER
REGARDING CALIFORNIA STATE TEACHERS'
RETIRMENT SYSTEM

IT IS HEEREBY STIPULATED BY AND BETWEEN THE PARTIES HERETO AND THEIR
COUNSEL AS FOLLOWS:

1. To provisions in the Judgment of Dissolution of Marriage filed herein on or about pursuant _____ in which the Court reserved personal jurisdiction over both parties to this action and reserved jurisdiction as to the subject matter of this action relating to the amount and distribution of the community property interests in the pension Respondent is entitled to receive from the California State Teachers' Retirement System and pursuant to the Request for Joinder of California State Teachers' Retirement System filed herein on or about _____, the parties hereto are awarded interests in Respondent's pension through the California State Teachers' Retirement System.
2. The purpose of the Stipulation and Order is to define said interests and to provide for the immediate payment of same;
3. This Stipulation and Order shall supersede said Judgment of Dissolution of Marriage and shall be controlling regarding the definition and payment of the parties' interests in said pension.

1 4. The member's full name, current address, date of birth and Social
2 Security number are:

3 _____
4 _____
5 _____

6 Social Security number: _____

7 5. The non-member's full name, current address, date of birth, and
8 Social Security number are:

9 _____
10 _____
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12 Social Security Number: _____

13 6. The non-member former spouse shall be paid directly by separate
14 warrant by the California State Teachers' Retirement System;

15 7. The formula to calculate the monthly benefit payable to the non-
16 member former spouse is:

17 (i) number of months of service credit earned during the
18 marriage, and the denominator of which is the
19 member's total months in the California State
20 Teachers' Retirement System, multiplied by fifty
21 percent multiplied by:

22 (ii) the member's monthly pension benefit.

23 8. Date of Marriage is _____

24 Date of Separation is _____

25 9. Benefits paid to the non-member former spouse pursuant to
 paragraph 7 shall commence upon receipt by the California State
 Teachers' Retirement System of a filled certified copy of this
 Stipulation and Order or at the time member begins receiving
 benefits.

10. All benefits not paid to the non-member former spouse pursuant to paragraph 7 shall be paid to the member spouse and shall constitute his separate property.

11. The court reserves jurisdiction to enforce and order regarding definition and payment of the California State Teachers' Retirement pension interests.

Petitioner

Date _____

Respondent

Date _____

Judge of the Superior Court

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SAMPLE SEGREGATION ORDER

(THE SYSTEM MUST RECEIVE A FILED AND CERTIFIED COPY OF THE FINAL ORDER)

Plaintiff,
vs.
Defendant

) Case No.: _____
)
) STIPULATION AND ORDER REGARDING
) CALIFORNIA STATE TEACHERS' RETIREMENT
) SYSTEM
)
)
)
)

Pursuant to the Stipulation and Order of the parties, hereinafter set forth, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that:

1. Pursuant to the provisions of the Judgment of dissolution of marriage, filed herein on or about _____, the parties hereto are awarded interests in Respondent's pension through the California State Teachers' Retirement System, (hereinafter referred to as CalSTRS).
2. This Order shall supersede said Judgment of Dissolution of Marriage, as to the matters stated herein, and shall be controlling regarding the definition and payment of the parties' interests.
3. Pursuant to the Request for Joinder of California State Teachers' Retirement System filed herein on or about _____, the parties hereto are awarded interests in Respondent's pension through the California State Teachers' Retirement System;
4. The Respondent herein and member of the CalSTRS plan, full name, current address, Social Security Number and Date of Birth is:

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Name:

Address:

Social Security Number:

Date of Birth:

5. The Petitioner herein and former nonmember spouse's full name,
current address, Social Security Number, and date of birth is:

Name:

Address:

Social Security Number:

Date of Birth

6. The name and current address of Claimant STRS is:

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
P.O. BOX 15275
SACRAMENTO< CA 95851

7. The addresses set forth in paragraphs 4, 5, and 6, above, shall
continue to suffice for purpose of notification unless the party to
whom notice is to be given provides the other parties with written
notice of a change of address.

8. CalSTRS shall divide the community portion of the Respondent's
pension into two separate accounts. Petitioner shall receive one-
half of the community portion of the pension. The non-community
portion is awarded to Respondent as his sole and separate property.

9. The court finds that:

A. The parties were married on _____

B. The Respondent became a member of STRS on _____

C. The parties separated on _____

10. The community portion of the pension is that portion of accumulated
retirement contributions and service credits that are attributable

to the period of service from _____ through

_____.

11. Petitioner shall have the right, through her separate account, to designate a beneficiary or beneficiaries to receive the accumulated retirement contributions remaining in the separate account of Petitioner on the date of her death and any accrued allowance attributable to her separate account which is unpaid on the date of her death.

12. Petitioner shall have the right to a refund of accumulated retirement contributions on her separate account.

13. The Petitioner shall have the right to elect to receive her retirement monthly payments at the earliest date allowed under the terms of the CalSTRS plan provided that she meets CalSTRS' requirements for commencement of payments.

14. Nothing contained in this Order shall be construed to require CalSTRS to provide to Petitioner any type or form of benefit or any option not otherwise available to a nonmember spouse with a separate account under the STRS plan. Nothing contained in this Order shall be construed as a limitation of Petitioner's rights available to her through her separate nonmember spouse account and provided under CalSTRS.

15. Jurisdiction is reserved to the court to enforce this Order.

Submitted for signature and signed:

_____ Petitioner	_____ Date	_____ Respondent	_____ Date
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_____ Judge of the Superior Court	_____ Date
--------------------------------------	---------------

Notes



7667 Folsom Boulevard
Sacramento, California 95826
1-800-228-5453